

**BOARD OF UTILITIES COMMISSIONERS**

1800 E. Wardlow Road, Long Beach, CA 90807
562.570.2300 | LBUtilities.org

June 22, 2023

Recommendation

Adopt Resolution UT-1482, a Resolution of the City of Long Beach Board of Utilities Commissioners Fixing Rates and Charges for Water, Sewer, and Gas Services to All Customers, Subject to the Approval of the City Council by Ordinance, and subject to a public protest hearing as provided for in the California Constitution Article XIII.

Executive Summary

Pursuant to the budget guidelines of City Charter Section 1405, the Rate Resolution must be adopted in conjunction with the Fiscal Year 2023-2024 Budget Resolution and will be submitted to the City Council for approval subsequent to Board adoption.

Resolution UT-1482 replaces the current rate resolution, WD-1441A, and incorporates a 10% increase for water rates and no increase for sewer and gas rates.

The typical monthly water bill for a single-family residence, consisting of a volumetric and daily service charge and based on 10 billing units, will increase by approximately \$5.69 per month.

B. Anatole Falagan
Assistant General Manager

Christopher J. Garner
General Manager

Attachment

RESOLUTION NO. UT-1482

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AMENDING RESOLUTION NO. WD-1441A FIXING RATES
AND CHARGES FOR WATER, SEWER, AND GAS
SERVICE TO ALL CUSTOMERS, SUBJECT TO THE
APPROVAL OF THE CITY COUNCIL BY ORDINANCE

The Board of Public Utilities Commissioners of the City of Long Beach
resolves as follows:

Section 1. That the following rates and charges for potable and reclaimed
water service, sewer service, and gas service are hereby established, and the Long Beach
Public Utilities Department ("Public Utilities Department") of the City of Long Beach ("City")
is hereby authorized and directed to charge and collect the same in accordance with the
provisions of this resolution. The establishment of rates and charges for water service and
sewer service are subject to a public hearing as required by Article XIII of the California
Constitution. All of the following rates and charges shall be effective as of October 1, 2023.

Section 2. The schedules of gas rates, use priorities, and conditions, and
exhibits of gas fees, charges, incentives, and related services attached hereto as Exhibit
"A" are hereby adopted and approved.

Section 3. For all metered services the charge for potable and reclaimed
water shall consist of both a service charge based on the size of the service and a
quantitative charge for water delivered.

A. The service charge shall be as follows:

1. Single family residential, duplex residential, and multi-
family residential customers of potable water who have been granted an
exemption from the City's Utility Users Tax in accordance with Chapter 3.68

of the Long Beach Municipal Code shall receive a monthly service charge bill credit of approximately Five Dollars (\$5.00) and the service charge rates shall be as follows:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.806
1 inch	\$1.196
1-1/2 inch	\$2.169
2 inch	\$3.337
3 inch	\$7.033
4 inch	\$11.893
6 inch	\$26.485
8 inch	\$54.689
10 inch	\$81.921
12 inch	\$103.319
16 inch	\$151.946

2. For commercial, industrial, irrigation, City of Long Beach Department, reclaimed, single family residential, duplex residential, and multi-family residential customers who have not been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code the service charge rates shall be as follows:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.806
1 inch	\$1.196
1-1/2 inch	\$2.169
2 inch	\$3.337
3 inch	\$7.033
4 inch	\$11.893
6 inch	\$26.485

<u>Size of Service</u>	<u>Daily Service Charge</u>
8 inch	\$54.689
10 inch	\$81.921
12 inch	\$103.319
16 inch	\$151.946

B. The quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

1. For single family residential, duplex residential, and multi-family residential customers of potable water who have been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

Tier IA	First 6 Billing Units (or fraction thereof)	\$0.000
Tier II	Next 7 Billing Units (or fraction thereof)	\$5.399
Tier III	Over 13 Billing Units (or fraction thereof)	\$7.878

2. For single family residential, duplex residential, and multi-family residential customers of potable water who have not been granted an exemption from the City's Utility Users Tax:

Tier IB	First 6 Billing Units (or fraction thereof)	\$2.820
Tier II	Next 7 Billing Units (or fraction thereof)	\$5.399
Tier III	Over 13 Billing Units (or fraction thereof)	\$7.878

3. For commercial customers of potable water, \$4.195 per billing unit, or fraction thereof.

4. For industrial customers of potable water, \$4.195 per billing unit, or fraction thereof.

5. For irrigation customers of potable water, \$4.195 per billing unit, or fraction thereof.

6. For City of Long Beach Departments using potable water, \$4.195 per billing unit, or fraction thereof.

7. For reclaimed water users whose use is "peaking" as defined herein, \$2.727 per billing unit, or fraction thereof.

8. For reclaimed water users whose use is "non-peaking" as defined herein, \$2.316 per billing unit, or fraction thereof.

9. For reclaimed water users whose use is "interruptible" as defined herein, \$2.316 per billing unit or fraction thereof.

10. These quantitative charges shall be subject to adjustment as provided in Section 4 of this Section.

11. There shall be no charge for water used through fire hydrants for extinguishing fires.

Section 4.

A. Unmetered water service may be rendered to unoccupied or occupied property where it is not practical to meter the water, and the rate for unmetered water service shall be:

<u>Size of Service</u>	<u>Daily Rate</u>
5/8 or 3/4 inch	\$3.502
1 inch	\$5.926
1-1/2 inch	\$14.597
2 inch	\$22.964

B. The rates for unmetered water service shall begin on the date of use of water by the customer, as determined by the General Manager of the Public Utilities Department ("General Manager").

Section 5. By Resolution the Board of Public Utilities Commissioners has established a Water Shortage Contingency Plan (the "Plan"). Pursuant to the Plan, the Board may declare that a Level 1, Level 2 or Level 3 Water Shortage exists, in its sole discretion. Upon such declaration, the Board may increase water rates, by an amount necessary, as determined by the Board but not to exceed the following percentages:

Level 1 Water Shortage Rate. Water rates may be increased by an amount not to exceed 10% above the pre-shortage rate.

Level 2 Water Shortage Rate. Water rates may be increased by an amount not to exceed 25% above the pre-shortage rate.

Level 3 Water Shortage Rate. Water rates may be increased by an amount not to exceed 50% above the pre-shortage rate.

Section 6. Charges for water service through meters at temporary service connections from fire hydrants or otherwise shall be at the applicable quantitative charge plus the meter rental fee, together with a charge for installing, relocating, and removing the meter and fittings in accordance with the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Water Shortage Contingency Plan" of the Public Utilities Department.

Section 7.

A. The service charge for private fire protection service shall be in accordance with the following table:

<u>Size of Service</u>	<u>Daily Rate</u>
2 inch	\$0.477
3 inch	\$0.959
4 inch	\$1.794
6 inch	\$4.781
8 inch	\$9.934
10 inch	\$17.687
12 inch	\$28.431

Size of Service

Daily Rate

16 inch

\$60.334

The service charges in this Section shall only include water used for fire extinguishing purposes and a reasonable amount of water used for testing the fire line.

B. Whenever the Public Utilities Department finds that water through a private fire protection service is being used for purposes other than fire extinguishing or testing the fire line, the General Manager may make a determination of the quantity of water used, the quantitative charges for that water, and the service charges to be applied. The General Manager's determination shall be final. In addition, if water through a private fire protection service is used for purposes other than fire extinguishing or testing the fire line, the Public Utilities Department may discontinue the private fire protection service or may install a domestic or fire flow meter, at either the customer's or its expense as the General Manager may determine, and thereafter the service shall be classified as regular service and billed at the rates applicable thereto.

Section 8. The primary purpose of fire hydrants is extinguishing fires and they shall be opened and used only by the Public Utilities Department or the Long Beach Fire Department, or such other persons as may be authorized to do so by the General Manager or the Chief of the Fire Department. Where fire hydrants are installed and maintained by the Public Utilities Department, there shall be no standby charge made to the Fire Department.

Section 9.

A. For all sewer service where the sewer lateral connects to a main line maintained by the Public Utilities Department, or the sewer lateral is located in the public right-of-way, the charge for sewer service shall consist

of both a daily sewer rate and a volumetric sewer rate.

B. The daily sewer rate shall be in accordance with the following table:

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.248
1 inch	\$0.366
1-1/2 inch	\$0.961
2 inch	\$1.658
3 inch	\$3.862
4 inch	\$5.587
6 inch	\$15.565
8 inch	\$16.499
10 inch	\$25.540
12 inch	\$32.212
16 inch	\$47.376

C. The volumetric sewer rate shall be \$0.393 per 100 cubic feet of water furnished where water service size is 5/8 inches or larger. The volumetric sewer rate shall not be applicable to fire services.

Industrial customers may apply for separately metered sewer discharge in accordance with the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Water Shortage Contingency Plan" of the Public Utilities Department.

D. For volumetric sewer rates, there are the following customer classifications: single family residential; duplex residential; multi-family residential; City Departments; commercial; and industrial.

Volumetric sewer rates for single family residential, duplex residential and multi-family residential shall be computed based on the

1 average of actual potable water use during the winter billing periods. The
2 winter billing periods used will be determined by the meter reading schedule
3 for the account. The actual winter usage is divided by the number of winter
4 days to obtain an average volume. The average volume will be the base
5 volume on which the volumetric sewer rate is charged for the next twelve-
6 month period beginning with May's billing periods. Each year, the average
7 volume will be recalculated for the succeeding twelve-month period.
8 Exceptions to the above calculation methodology will use the average volume
9 for the water service size in which the customer falls as the average volume
10 or a calculation using available usage information for the account. For those
11 residential customers with no previous history of use during the winter billing
12 periods, the average volume for the water service size in which the customer
13 falls will be used.

14 E. For all users of the sewer system that do not receive a water
15 bill from the City but where the user's sewer lateral connects to a main line
16 maintained by the Public Utilities Department, or where the sewer lateral is
17 located in the public right-of-way, the charge for sewer service shall consist
18 of both a daily sewer rate and a volumetric sewer rate. The daily sewer rate
19 shall be as provided in Subsection 8(B) of this Resolution. For these
20 customers, the volumetric sewer rate shall be based on the average volume
21 for the customer's water service size.

22 F. The City shall collect from all developments and all
23 developments shall be required to pay a capacity charge of One Hundred
24 and Twenty-One Dollars and Thirty-Nine Cents (\$121.39) per equivalent
25 fixture unit at the time application for sewer service is made, but in no event
26 later than the time that the City issues a sewer permit for connection to the
27 City sewage system, as set forth in the Long Beach Municipal Code and the
28 "Rules, Regulations and Charges Governing Potable Water, Reclaimed

1 Water, Sewer Service and the Water Shortage Contingency Plan” of the
2 Public Utilities Department.

3 G. Upon receipt of an application for sewer service, the City’s
4 Department of Development Services (through the Plan Checker for
5 Plumbing) shall calculate the amount of the capacity charge by: 1)
6 determining if this resolution applies to the development; and 2) if this
7 resolution does not apply, indicating same on the application for sewer
8 service and the reason this resolution does not apply, and processing the
9 application in accordance with ordinances, resolutions, and regulations; or 3)
10 if this resolution does apply, determining the number of equivalent fixture
11 units in the development and multiplying that number by the capacity charge
12 per equivalent fixture unit.

13 H. The sewer capacity charge shall be subject to annual
14 adjustment, effective October 1 of each year, to reflect the increase of the
15 Construction Cost Index (“CCI”) for Los Angeles as published in the
16 “Engineering News-Record”. The increase shall be calculated each
17 September by dividing the CCI published in August of the current calendar
18 year by the CCI published in August of the preceding calendar year; that
19 figure multiplied by the sewer capacity charge in effect in October shall be
20 the new sewer capacity charge. No adjustment shall be made to reflect a
21 decrease in the CCI.

22 I. Funds derived from capacity charges shall be placed in the
23 Sewer Fund and shall be used only for the operation, construction,
24 reconstruction, acquisition, or maintenance of the City sewage system.

25 J. Anyone who has paid a capacity charge may apply for a full or
26 partial refund if within one year after payment: 1) the applicant has not been
27 permitted to connect to the City sewage system; or 2) the development on
28 which the capacity charge was calculated has been modified pursuant to

1 applicable City ordinances, resolutions, or regulations, resulting from a
2 reduction in the number of equivalent fixture units. Refund applications shall
3 be made on forms provided by the City and shall contain a declaration under
4 oath of those facts, along with relevant documentary evidence, which qualify
5 the applicant for the refund. In no event shall a refund exceed ninety percent
6 (90%) of the amount of the capacity charge actually paid.

7 K. Anyone subject to a capacity charge who constructs, deposits
8 money into escrow with the City for the construction of, participates in an
9 assessment district for the construction of, or otherwise contributes money or
10 improvements to the City for the operation, construction, reconstruction,
11 acquisition, or maintenance of the City sewage system shall be eligible for a
12 credit for such contribution against the capacity charge otherwise due. The
13 amount of the credit shall be the value of the contribution as determined by
14 the City provided, however, that the credit shall not exceed ninety percent
15 (90%) of the amount of the capacity charge. Applications for said credit shall
16 be made on forms provided by the City and shall be submitted at or before
17 the time of application for sewer service. The application shall contain a
18 declaration under oath of those facts, along with relevant documentary
19 evidence, which qualify the applicant for the credit.

20 L. The capacity charge and requirements pertaining thereto shall
21 not affect in any way the permissible use of property, density of development,
22 design and improvement standards, public improvement requirements, or
23 any other aspect of the development of land or construction of buildings
24 which may be imposed by the City pursuant to the Long Beach Municipal
25 Code, Subdivision Regulations, or other state or local laws, ordinances or
26 regulations which shall be in effect with respect to all developments.

27 M. The capacity charge is a charge on development that reflects a
28 development's proportionate share of the present depreciated value of the

existing City sewage system. As such the capacity charge is additional to and not in substitution of the following: 1) on-site sewer facility requirements imposed by the City pursuant to the Long Beach Municipal Code, Subdivision Regulations, and other state or local laws, ordinances or regulations; 2) sewer permit fees; 3) connection charges; 4) sewer rates; and 5) other fees, rates, and charges including but not limited to sewer standby or immediate availability charges and capital facilities charges for services or facilities other than as a proportionate share of the present depreciated value of the existing City sewer system. In no event shall an applicant for sewer service be obligated to pay fees, rates, or charges in excess of those calculated pursuant to applicable City ordinances, which shall not individually or collectively exceed the reasonable cost of providing sewer service to the development.

Section 10. Any term not defined herein which is defined in the Long Beach Municipal Code or in the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Water Shortage Contingency Plan" of the Public Utilities Department shall have the meaning stated therein.

Section 11.

A. Regular bills for water service and sewer service shall be issued at intervals of approximately one month (commonly called "monthly") except in those cases where the General Manager or the Board of Public Utilities Commissioners shall prescribe another billing interval. Insofar as practical, meters shall be read at regular intervals for the preparation of regular bills, and meters shall be read as required for the preparation of opening, closing, and special bills.

B. Every water customer and every sewer customer shall be liable for payment of bills for water service and sewer service. Charges for water service and sewer service shall be included in municipal utility bills.

1 C. Anyone who has been granted an exemption under Chapter
2 3.68 of the Long Beach Municipal Code as of the date of this resolution does
3 not need to file a separate application for exemption hereunder.

4 Section 12. Whenever the correctness of any bill for water or sewer service
5 is questioned by a customer, the procedures established in the "Rules, Regulations and
6 Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Water
7 Shortage Contingency Plan" of the Public Utilities Department shall be followed.

8 Section 13. The following words shall have the meanings defined as
9 follows:

10 A. "Billing unit" means one hundred (100) cubic feet of water and
11 equals 748 gallons;

12 B. "Commercial" refers to activities devoted primarily to business,
13 property management, or a profession;

14 C. "Industrial" refers to activities devoted primarily to
15 manufacturing or processing;

16 D. "Interruptible" refers to reclaimed water service that can be
17 suspended at any time at the Board's discretion, without liability and
18 dependent upon the Public Utilities Department's reclaimed water system
19 needs for such service.

20 E. "Non-peaking" means total average daily demand occurring at
21 a continuous, constant level over a twenty-four (24) hour period;

22 F. "Peaking" means total average daily demand occurring
23 between the hours of 9:00 p.m. and 6:00 a.m.

24 G. "Winter billing period" means the time period used for sewer
25 volumetric calculation purposes, which includes bills with a bill prepared date
26 in December, January, February, or March.

27 Section 14. All other resolutions of the Board of Public Utilities
28 Commissioners, or provisions thereof, which conflict with this resolution are hereby

rescinded. The charges, conditions, and provisions established in this Resolution shall supersede all others previously established.

Section 15. The Secretary of the Board of Public Utilities Commissioners shall certify to the passage of this resolution and it shall take effect by operation of law following its approval by the City Council by ordinance.

I hereby certify that the foregoing resolution was adopted by the Board of Public Utilities Commissioners of the City of Long Beach at its meeting held on June 22, 2023, by the following vote:

Ayes: Commissioners: _____

Noes: Commissioners: _____

Absent: Commissioners: _____

Secretary
Board of Public Utilities Commissioners

EXHIBIT "A"

LONG BEACH ENERGY RESOURCES DEPARTMENT
GAS RATE SCHEDULE
Page 1

Long Beach Municipal Code
Chapter 15.36
Effective Date: **December 1, 2020**

SCHEDULE 1

R E S I D E N T I A L

Applicable to residential service of natural gas for cooking, water heating, space heating and other residential uses, as set forth in Section 15.36.020 of the Municipal Code.

RATES:

Residential

- **Daily Service Charge per Meter** \$0.1644

- **Tier I Rate (per therm)** \$0.7474
Applicable to all usage at or below daily baseline
therm allowances under Special Condition (1)

- **Tier II Rate (per therm)** \$1.0724
Applicable to all usage above daily baseline
therm allowances under Special Condition (1)

- **Cost of Gas (per therm)**
Applicable to all usage Core Commodity Charge

USE PRIORITY:

Service under this schedule shall be limited to residential customers who have priority in the use of gas over customers served under any of the other rate schedules at times when there is insufficient gas to supply the demands of all customers.

SPECIAL CONDITIONS:

- (1) Applicable only to specific volumes of residential cooking, water heating, space heating and other residential uses. Based on the end use for (A) single-family and individually metered dwelling units and (B) master metered multi-family dwelling units, a Daily Baseline Therm Allowance (Baseline Allowance), will be applied. Usage falling at or below the Baseline Allowance will be charged at the Tier I Rate. Usage in excess of the Baseline Allowance will be billed at the Tier II Rate.

SCHEDULE 1

Page

2

Effective Date: **December 1, 2020**

Billing Codes	End Use for Residence	Daily Baseline Therm Allowance	
		(A) Single Family and Individually-Metered Dwelling Units (Per Unit)	(B) Master-Metered Multi-Family Dwelling Units (Per Unit)
1	Space Heating Only		
	• Summer (5/1 through 10/31)	0.473	0.000
	• Winter (11/1 through 4/30)	1.691	1.210
2	Cooking & Water Heating		
	• Summer (5/1 through 10/31)	0.473	0.477
	• Winter (11/1 through 4/30)	1.691	0.477
3	Basic Plus Space Heating		
	• Summer (5/1 through 10/31)	0.473	0.477
	• Winter (11/1 through 4/30)	1.691	1.687
4	Cooking & Space Heating		
	• Summer (5/1 through 10/31)	0.473	0.089
	• Winter (11/1 through 4/30)	1.691	1.299
5	Cooking Only		
	• Summer (5/1 through 10/31)	0.473	0.089
	• Winter (11/1 through 4/30)	1.691	0.089
6	Water Heating		
	• Summer (5/1 through 10/31)	0.473	0.388
	• Winter (11/1 through 4/30)	1.691	0.388
7	Water & Space Heating		
	• Summer (5/1 through 10/31)	0.473	0.388
	• Winter (11/1 through 4/30)	1.691	1.598
8	Medical Condition per Exhibit "A"		
	• Summer (5/1 through 10/31)	1.295	N/A
	• Winter (11/1 through 4/30)	2.513	N/A
9	Non-Essential Uses	0.000	0.000

Monthly allowance is expressed in therms as determined by the system average one therm equals 100,000 Btu.

- (2) Residential customers using gas for non-essential uses only, will pay the Tier II Rate for all usage. These non-essential uses include, but are not limited to decorative fireplaces, gas lamps and clothes dryers.
- (3) Long Beach Energy Resources' (ER) cost of gas is defined as an amount equal to ER's weighted average cost per therm of gas supply purchased, necessary to meet the forecasted Core and Non-Core demand for the month. In addition, the cost of gas shall include the cost to administer the transportation, purchasing, remarketing, balancing, etc., of ER's natural gas requirements, as well as the cost for any financial transactions implemented to reduce market exposure for the cost of gas. The gas purchased will be comprised of any one or combination of three increments of supply as follows:
 - (a) Interstate supplies delivered into the Southern California Gas Company (SoCalGas) intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to the City of Long Beach (City);
 - (b) Gas storage withdrawals; and
 - (c) Any local gas delivered directly into ER's pipeline system.
- (4) The Core Commodity Charge under this Schedule will be determined on a monthly basis and shall be equal to ER's projected cost of gas. There will be no markup to the customer above ER's actual cost of gas as determined by actual expenditures, but not including any discounts or rebates.
- (5) The cost of all gas purchased by ER shall be assigned to either the Core or Non-Core Commodity Charge, according to the price of each increment. The Core demand (Rate Schedules 1, 2, 3, and 5) shall be met with sufficient volumes of the lowest cost increment(s) of gas.
- (6) The monthly Commodity Charge will be made available to customers by calling ER at (562) 570-2066 and will also be posted on the City's internet website. The actual cost of gas charged to the customer may differ from the posted rate as the customer's billing period may overlap over more than one month and therefore the billed commodity charge will reflect the weighted average commodity charge based on the number of days in each month under the customer's billing cycle.
- (7) The Commodity Charge shall be subject to adjustment as the result of tariff, pricing changes, or regulatory action that may be imposed by governmental entities having jurisdiction therein.
- (8) These rates do not apply to services provided by SoCalGas operating under franchise with the City.

SCHEDULE 2

SMALL COMMERCIAL AND INDUSTRIAL

Applicable to non-residential service of natural gas to commercial and industrial customers whose annual consumption does not exceed 12,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.030 of the Municipal Code.

RATES:

- **Daily Service Charge per Meter** \$0.4932

- **Transmission Charge (per therm)**
 - Tier I: All usage not to exceed 100 therms \$0.7833
per summer month (April – November) or 250 therms
per winter month (December – March)
(prorated on a daily basis)

 - Tier II: All usage exceeding Tier I volumes \$0.4271
but not exceeding 4,167 therms monthly
(prorated on a daily basis)

 - Tier III: All usage exceeding 4,167 therms monthly \$0.1882
(prorated on a daily basis)

- **Cost of Gas (per therm)**
Applicable to all usage Core Commodity Charge

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedule 1 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 3

COMMERCIAL AND INDUSTRIAL

Applicable to commercial and industrial service of natural gas to customers with annual consumption in excess of 12,000 therms or less than 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.040 of the Municipal Code.

RATES:

- **Daily Service Charge per Meter** \$0.4932

- **Transmission Charge (per therm)**
 - Tier I: All usage not to exceed 100 therms \$0.7833
per summer month (April – November) or 250 therms
per winter month (December – March)
(prorated on a daily basis)

 - Tier II: All usage exceeding Tier I volumes \$0.4271
but not exceeding 4,167 therms monthly
(prorated on a daily basis)

 - Tier III: All usage exceeding 4,167 therms monthly \$0.1882
(prorated on a daily basis)

- **Cost of Gas (per therm)**
Applicable to all usage Core Commodity Charge

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedules 1 and 2 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1 and 2. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 4

LARGE COMMERCIAL AND INDUSTRIAL

Applicable to commercial and industrial service to customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.050 of the Municipal Code.

RATES:

- **Daily Service Charge per Meter** \$11.5069

- **Transmission Charge (per therm)**
 - Tier I: 0 – 20,833 therms \$0.2561
 - Tier II: 20,834 – 83,333 therms \$0.1811
 - Tier III: 83,334 – 166,667 therms \$0.1331
 - Tier IV: Over 166,667 therms \$0.0988

- **Cost of Gas (per therm)**
 - Applicable to all usage Non-Core Commodity Charge

USE PRIORITY:

Service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedules 1, 2, 3, and 5 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, and 5. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the customer.
- (3) Long Beach Energy Resources' (ER) cost of gas is defined as an amount equal to ER's weighted average cost per therm of gas supply purchased, necessary to meet the forecasted Core and Non-Core demand for the month. In addition, the cost of gas shall include the cost to administer the transportation, purchasing, remarketing, balancing, etc. of ER's natural gas requirements, as well as the cost for any financial transactions implemented to reduce market exposure for the cost of gas. The gas purchased will be comprised of any one or combination of three increments of supply as follows:
 - (a) Interstate supplies delivered into the Southern California Gas (SoCalGas) intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to the City of Long Beach (City);
 - (b) Gas storage withdrawals; and
 - (c) Any local gas delivered directly into ER's pipeline system.
- (4) The Non-Core Commodity Charge under this Schedule will be determined on a monthly basis and shall equal ER's projected cost of gas. There will be no markup to the customer above ER's actual cost of gas as determined by actual expenditures, but not including any discounts or rebates.
- (5) The cost of all gas purchased by ER shall be assigned to either the Core or Non-Core Commodity Charge according to the price of each increment. The Non-Core demand (Rates Schedules 4 and 7) shall be met with sufficient volumes of the highest cost increment(s) of gas.
- (6) All Customers eligible for service under this Schedule, may at any time elect to switch to Schedule 9 in order to procure their own gas at a possible savings by entering into a written Transportation/Service Agreement with the City.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 5

COMPRESSED NATURAL GAS

Applicable to the sale of natural gas to customers who use Compressed Natural Gas (CNG) as a motor vehicle fuel, as set forth in Section 15.36.060 of the Municipal Code.

RATES:

CNG Service through a Dedicated Meter

- Daily Service Charge \$0.4274
- Transmission Charge (per therm)
 - Compressed: All usage when compression is performed by utility \$1.3104
 - Uncompressed: All usage when compression is performed by customer \$0.2683

Residential and CNG Service through a Single Common Meter

- Daily Service Charge \$0.3288
- Transmission Charge (per therm)
 - Uncompressed: All usage when compression is performed by customer \$0.2871

Cost of Gas (per therm)

Applicable to all usage

Core Commodity Charge

Upon recommendation by the Director of Long Beach Energy Resources (ER), the City Manager may adjust the amount of the Cost of Gas a maximum of 10% above or below the stated Cost of Gas to reflect current changes in market conditions.

The customer's Cost of Gas is subject to adjustment for the payment of any local, state, or federal taxes, fees, or other charges, which may be imposed on such sales or services.

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, and 3 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, and 3. Customers receiving CNG and Residential service through a single common meter shall retain the priority established under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules, except that customer may elect to receive both Residential and CNG service through a single meter at the rates set in this schedule.
- (2) If customer elects to receive both Residential and CNG service through a single meter the specific amounts of gas supplied for each service will be indeterminable, and customer therefore agrees to pay the Utility Users Tax on the full amount of gas supplied through the single common meter and applicable charges.
- (3) Establishment of service under this schedule is subject to initial and periodic verification of an installed natural gas vehicle (NGV) home refueling appliance at customer's address, and proof of a current NGV registration or lease listing customer's address.
- (4) The owner of any vehicle obtaining or attempting to obtain CNG fuel from a fueling station on City property shall be liable for any and all damages to CNG pumps or adjacent City property while refueling or attempting to refuel. Customers shall pay all damages within 30 days from the time billed by the City. If any damage amount is disputed within 15 days from the billing date, Customer shall provide a request in writing setting out the disputed amount and request for an adjustment, including any proof substantiating same, and shall deliver this to the Director of the ER for a determination, which shall be made in writing. Thereafter, the Customer may appeal the Director's determination to the City Council within 30 days of receipt of determination.
- (5) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 7

ELECTRIC GENERATION

Applicable to service of customer's gas used for the production of electrical energy.

RATES:

• **Daily Service Charge per Customer**

For Customers using less than 3 million therms per year	\$1.6438
For Customers using 3 million therms or more per year	No Charge

• **Transmission Charge (per therm)**

For Customers using less than 3 million therms per year	\$0.1760
For Customers using 3 million therms or more per year	\$0.0519

• **Cost of Gas (per therm)** Non-Core Commodity Charge Plus a Surcharge of \$0.0500

Upon recommendation by the Director of Long Beach Energy Resources (ER), the City Manager, subject to approval of City Council, may adjust on a case-by-case basis the amount of the surcharge in the Cost of Gas per therm a maximum of \$0.05 above or below the stated surcharge rate to reflect current changes in market conditions. Notice of the upcoming monthly surcharge amount will be posted at ER at least 15 days before the beginning of each month and will also be available from ER by telephone or facsimile upon request. The Non-Core Commodity Charge will be posted at ER within 10 days after the end of each month and will also be available from the ER website <http://www.longbeach.gov/energyresources> as well as by telephone or facsimile upon request.

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas equal to customers served under Rate Schedule 9 and lower than Rate Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding 15 days from the date of mailing of a statement to the customer.
- (3) Gas transported and delivered under this schedule shall be used only by the customer.
- (4) Gas transported and delivered under this schedule shall be supplied at standard delivery pressure. Additional costs to serve a customer at higher than standard delivery pressure shall be borne by the customer.
- (5) Gas supplied under this schedule is only available for the electric generation portion of the customer's gas purchases.
- (6) As a condition precedent to service under this schedule when customer elects to procure its own gas supply, a separate Transportation/Service Agreement with the City must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule. Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid for in advance by the customer.
- (7) Any additional transmission costs, surcharges or penalties incurred by ER on behalf of these customers will be passed through to the customer at cost.
- (8) Customer may elect to purchase all of its gas commodity from ER if customer does the following: a) maintains a deposit with ER for the remaining term of the Agreement in an amount equal to the average of two months of gas commodity and transportation charges, b) customer advises ER 10 days before the initial month that the customer elects to purchase all of its gas from ER for the remaining term of the Agreement, and c) customer pays as agreed upon receipt of the monthly bill and is not delinquent in any prior month's billing.
- (9) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 4 and the Non-Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 4.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 9

TRANSPORTATION AND EXCHANGE OF NATURAL GAS SERVICE

Applicable to natural gas procured by commercial/industrial customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customer, transported or exchanged by LBGO for the customer under Section 15.36.080 of the Municipal Code.

RATES:

- **Daily Service Charge per Customer** \$11.5069

- **Transmission Charge (per therm)**
 - Tier I: 0 – 20,833 therms \$0.1936
 - Tier II: 20,834 – 83,333 therms \$0.1186
 - Tier III: 83,334 – 166,667 therms \$0.0706
 - Tier IV: Over 166,667 therms \$0.0363

USE PRIORITY:

Service under this schedule provides transportation and delivery of customer-procured compatible pipeline quality gas from designated receipt points to customer premises.

Customers receiving service under this schedule shall have priority in the use of gas equal to customers served under Rate Schedule 7, and lower than Rate Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) As a condition precedent to service under this schedule, a separate Transportation/Service Agreement must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule. Also, customer may be required to pay a deposit equivalent to two times the customer's estimated average monthly billing.
- (2) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid in advance by the customer.
- (3) Gas transported under this schedule shall be used only by the customer and such gas may not be sold, transported, assigned, distributed, exchanged, or otherwise transferred to benefit another customer or provide non-municipal natural gas to any natural gas user, transporter or consumer within the City.
- (4) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules. The customer will be required to pay for the installation and cost of electronic meter reading equipment and monthly charges associated with such equipment.
- (5) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City.
- (6) Any additional transmission costs or surcharges incurred by the City on behalf of these customers will be passed through to the customer at cost.